

PPG\Shapes-Arch Holdings\application in support of motion to compel administrative expense

THE CHARTWELL LAW OFFICES, LLP

John J. Winter, Esquire
NJ ID No. JW9777
2621 Van Buren Avenue
Norristown, PA 19403
Telephone: (610) 666-7700
Telecopier: (610) 666-7704
Attorneys for PPG Industries, Inc.

In re:	:	UNITED STATES BANKRUPTCY COURT
SHAPES/ARCH HOLDINGS, LLC,	:	DISTRICT OF NEW JERSEY
et al.,	:	Chapter 11 Case Nos. 08-14631 through
Debtors	:	08-14635 (GMB) (jointly administered)
	:	Hearing Date: June 9, 2008, 10:00 A.M.
	:	Oral Argument Requested if Opposed

**APPLICATION IN SUPPORT OF MOTION TO COMPEL PAYMENT
ADMINISTRATIVE EXPENSE CLAIMS PURSUANT TO
11 U.S.C. §§ 105(a), 363(b), 364(b), 503(a) AND 503(b)(9),
FILED ON BEHALF OF PPG INDUSTRIES, INC.**

TO: THE HONORABLE GLORIA M. BURNS
United States Bankruptcy Judge

ALL E-FILERS

PPG Industries, Inc. (“PPG”), a trade creditor of one or more of the above-captioned debtors and party in interest in their bankruptcy cases, by and through its undersigned attorneys, The Chartwell Law Offices, LLP, hereby moves for the entry of an Order or Orders, pursuant to 11 U.S.C. §§ 105(a), 363(b), 364(b), 503(a) and 503(b)(9) compelling payment of PPG’s administrative claims.

BACKGROUND

1. On March 16, 2008 (the “Petition Date”), voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”), by: Shapes/Arch

Holdings, LLC at Case No. 08-14631; Shapes, LLC at Case No. 08-14632; Ultra, LLC at Case No. 08-14633; Delair, LLC at Case No. 08-14634; and Accu-Weld at Case No. 08-14635.

2. The debtors (collectively, the “Debtors”) have requested, and by Order entered March 18, 2008, the Court has ordered that their cases be jointly administered.

3. A supporting memorandum of law is not necessary in this matter, as no novel legal issues are presented.

FACTS IN SUPPORT OF MOTION

4. PPG is in the business of manufacturing and selling a broad variety of goods, including paint, glass, chemicals and plastics.

5. In the ordinary course of its business, PPG shipped goods to both Accu-Weld and Shapes in the ordinary course of their respective businesses prior to the Petition Date (the “Goods”). Attached to the Certification of Kevin B. Stiffler filed in support of the instant Motion (the “Stiffler Certification”), as Exhibits “A” and “B” are Excel Spreadsheets detailing the shipments of Goods to Accu-Weld and Shapes, respectively, during the forty-five (45) day preceding the Petition Date (the “Reclamation Period”) and twenty (20) day period day preceding the Petition Date (the “Administrative Claim Period”), which are incorporated herein by reference (collectively, the “Reclamation Statements”).

6. PPG’s charges for the Goods as reflected by the Reclamation Statements were fair and reasonable, and according to one or more written agreement(s) between PPG and said debtor(s).

7. The aforesaid sales and deliveries of Goods to Accu-Weld are reflected in the Invoices attached to the Stiffler Certification collectively as Exhibit “C”, which are incorporated herein by reference, for which Goods PPG has not been paid.

8. The aforesaid sales and deliveries of Goods to Shapes are reflected in the Invoices attached to the Stiffler Certification collectively as Exhibit “D”, which are incorporated herein by reference, for which Goods PPG has not been paid.

9. On March 25, 2008, PPG issued a Notice of Reclamation to Accu-Weld (the “Accu-Weld Reclamation Notice”). A true and correct copy of the Accu-Weld Reclamation Notice is attached to the Stiffler Certification as Exhibit “E” and is incorporated herein by reference.

10. As set forth in the Accu-Weld Reclamation Notice, PPG shipped Goods to Accu-Weld in the forty-five (45) days prior to the Petition Date with a total value of \$118,162.75, and PPG therefore demanded reclamation of those Goods. Further, the Accu-Weld Reclamation Notice set forth PPG’s request for payment of the value of those Goods received by Accu-Weld during the twenty (20) day period preceding the Petition Date in the amount of \$63,401.40 (the “Accu-Weld Administrative Claim”).

11. On April 1, 2008 PPG issued a Notice of Reclamation to Shapes (the “Shapes Reclamation Notice”). A true and correct copy of the Shapes Reclamation Notice is attached to the Stiffler Certification as Exhibit “F” and is incorporated herein by reference.

12. As set forth in the Shapes Reclamation Notice, PPG shipped Goods to Shapes in the forty-five (45) days prior to the Petition Date with a total value of \$65,793.60, and PPG therefore demanded reclamation of those Goods. Further, the Shapes Reclamation Notice set

forth PPG's request for payment of the value of those Goods received by Shapes during the twenty (20) day period preceding the Petition Date in the amount of \$27,162.80.

13. Debtors responded to the Accu-Weld Reclamation Notice and Shapes Reclamation Notice (collectively, the "Reclamation Notices") that they are not obligated to return the Goods covered thereby, because they are subject to the liens and security interests of their secured creditor(s).

14. Accordingly, PPG is entitled to an administrative claim for the value of the Reclaimable Goods received by Accu-Weld and Shapes during the Administrative Claim Period pursuant to 11 U.S.C. §§ 105(a), 363(b), 364(b), 503(a) and 503(b)(9).

RELIEF REQUESTED

15. Pursuant to Section 503(a) of the Bankruptcy Code, "[a]n entity may timely file a request for payment of an administrative expense, or may tardily file such request if permitted by the court for cause." 11 U.S.C. Section 503(a).

16. It is further provided in Section 503(b)(9) of the Bankruptcy Code, in relevant part, that, after notice and hearing, there shall be allowed as administrative expenses, the value of any goods received by the debtor within twenty (20) days before the commencement of a bankruptcy case, where the goods have been sold to the debtor in the ordinary course of the debtor's business.

17. PPG has sold the Reclaimable Goods to the Debtors in the ordinary course of its, and their respective businesses, and they were received by the Debtors within 20 days prior to the Petition Date.

WHEREFORE, PPG Industries, Inc. respectfully requests the entry of an Order or Orders, substantially in the form annexed, compelling Debtors to PPG's Accu-Weld Administrative Expense Claim in the amount of \$63,401.40, and PPG's Shapes Administrative Expense Claim in the amount of \$27,162.80, and for such other and further relief as is just and proper under the circumstances.

Respectfully submitted,

THE CHARTWELL LAW OFFICES, LLP

Dated: May 10, 2008

By: /s/ John J. Winter
John J. Winter, Esquire
NJ ID No. JW9777
2621 Van Buren Avenue
Norristown, PA 19403
Telephone Number (610) 666-7700
Telecopier Number (610) 666-7704
Attorneys for PPG Industries, Inc.